GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:1395
ANSWERED ON:27.11.2001
UTILIZATION OF FUNDS FOR RURAL DEVELOPMENT SCHEMES BY STATES
SUBODH MOHITE

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether it is fact that State Governments are failing in utilization of funds provided for Rural Development Schemes;

(b) if so, the details thereof especially in respect of Maharashtra Government;

(c) whether the Union Government propose to withheld further instalments of such States that fails to utilize the funds; and

(d) if not, the other alternative steps taken or proposed to be taken by the Union Government for proper and timely utilization of funds by the State Governments?

Answer

MINISTER OF RURAL DEVELOPMENT (SHRI M. VENKAIAH NAIDU)

(a) & (b) During the year 2000-2001, the States/UTs have reported utilisation of Rs. 12047.53 crore against Rs. 15552.32 crore available with them which comes to 77.46%. As per reports received so far, the utilisation of funds in Maharashtra during 2000-01 was Rs. 1327.99 crore against Rs. 1447.15 crore available with them which comes to 91.76%.

(c) &(d) The Union Government release the funds in two instalments. The second instalment of funds is released only when the State/district has utilised 60% of the funds available with it under the programme. Audit Reports and Utilisation Certificates are insisted upon while processing the proposals for release of funds. The cuts are imposed on the funds to be released to the States, if proposals for second instalment are received late after December. If the proposals are received in January, 10% cut on the second instalment is effected. If the proposals are received in February, the cut is 20% and if the proposals are received in March, the cut is 30%. The carry over limit of funds from one year to another has been reduced from 25% during 1998-99 to 20% during 1999-2000. It has further been reduced to 15% w.e.f. 1/4/2000. In addition, the utilisation is reviewed by the Ministry on a regular basis. The Minister (RD) himself has been visiting the States and rev! iewing the progress of implementation of the schemes and utilization of funds. The Chief Ministers of the States are also impressed upon the need for better utilisation of funds and achieving faster progress. Also, the Ministry have adopted a four pronged strategy which includes (1) creation of awareness about the schemes, (2) transparency, (3) people`s partnership and (4) accountability - social audit.

Apart from these, the Ministry has also developed a comprehensive system of monitoring the implementation of the programmes including utilisation of funds through the following mechanisms:

- Periodical Progress Reports
- Area Officers` Scheme
- Field visits by State and Central Government Officers, Ministers etc.
- Conferences of State Secretaries of Rural Development and Project Directors of DRDAs
- Committees such as State Level Coordination Committees (SLCC), Performance Review Committee etc.

- Concurrent/Quick Evaluations
- Impact Assessment Studies